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# Data Tech Gets Sophisticated In T&E



By PYMNTS  

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Data analytics technology has grown so sophisticated that there are now digital bots built on artificial intelligence that can not only help us with our needs, but also predict them. The ways corporates can use these tools are vast, and opportunities are plentiful in

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the expense management space in particular.

According to **Chrome River** CEO Alan Rich, using data analytics technology enables the automatic generation of expense reports – which itself is a massive benefit that can cut down on wasted man hours and risk of error – and help a business understand exactly how its money is being spent. But in the T&E space, he recently told PYMNTS, there is one massive wall blocking many firms’ ability to take advantage of this tool. And, he explained, there is one area of T&E that poses a greater challenge than others: the hotel bill.

“For years, a hotel gives you a printed copy of the hotel bill when you checked out – and that is very hard to work with,” he recently told PYMNTS. Luckily, the environment is changing in a way that allows businesses and their expense management solutions to gain access to financial data for analytical purposes. The rise of hotel loyalty programs and emailed bills is a big step in the right direction, Rich said.

“When I go to a hotel, I try to avoid getting a paper bill, and that’s what’s enabled this



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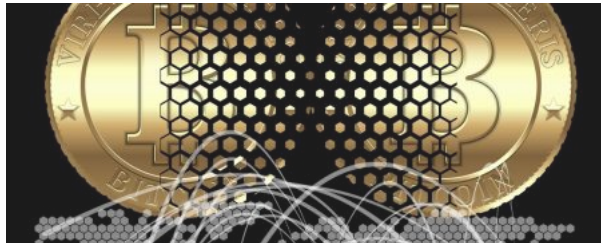
technology, the fact that we can get the bill in an electronic form and not in pieces of paper,” he said. “That whole transition away from paper, which is happening in every part of the system, is really enabling this.”

Getting a bill electronically means T&E solutions can access the financial data it needs to analyze it. Chrome River’s latest solution to do this is **FOLIO**, announced last week, which extracts data from a hotel folio, or bill, emailed to an employee in PDF or HTML form.

There are several issues that are solved with automatic data capture, Rich explained. The first, frankly, is that it’s simply “annoying” to have to manually enter data into an expense reporting system. But with hotel bills in particular, he said, there are other hurdles.

“We’re trying to eliminate every click, and there are more clicks in a hotel than there is in anything else,” he explained.

Look at compliance issues, for instance, Even if a hotel stay falls within corporate guidelines, a hotel bill rarely includes only the room charge.



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“I’d guess that more than half of the issues of company policy fraud arise out of hotels, because people use the minibars, they watch the movies, they put their laundry down there, they use the bar – they do all kinds of different things that might not be within company policy,” he explained. So now that hotel bills are often sent digitally, data analytics tools can aggregate that data not only for expensing purposes, but also to assess each line item and ensure that the charges are within company travel policy.

Within a corporation, Rich said, this is a big deal.

“An internal audit department has a whole process for focusing on hotel bills,” the CEO continued, “so if we can simplify the process with data that is already there electronically, they don’t have to look at a paper bill. That makes the life for the audit folks much easier.”

And finally, perhaps the biggest impact of all, is the ability for **expense management** solutions not only to aggregate data from electronic bills, but to automate the analysis of transactions – not just



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collecting data, but understanding what that data means. When there are so many charges on a single hotel bill, Rich explained, it's difficult to understand where company money goes.



“You want to figure out what you’re spending on hotels, and are you getting the best rates? Are you negotiating the best deals?” he said. “If you just look at the total of a hotel bill, you can’t figure that out, it’s got so many lines.”

From meals to resort fees to complex tax charges, it becomes clear that expenses aren’t straightforward.

“If you just rely on users to enter in that information, they aggregate it and throw it in there,” Rich said of the challenge of manual expense report generation. “It becomes very hard to get meaningful analytics out of it.”

Hotel folios are more often than not emailed in a digital format today, but that doesn’t make data extraction easy.

Rich explained that technology continues to mature to be able identify meaningful data from a PDF file and analyze it, but the CEO said the industry has “a long

way” to making truly digital receipts a ubiquitous technology. Chrome River has already made steps to take advantage of technological advancements, for instance by **working with Uber** to support the shift from taking a physical receipt from a taxi toward not only getting a receipt in a digital format from Uber, but having that information automatically sent into the Chrome River platform.

Hotels may be a major point of friction for financial data aggregation and analytics, but Rich noted there are other areas that need work, too. For instance, technology needs to be ready to analyze data that may be coming in in multiple languages. Or, in the area of procurement. P-cards, he said, are a “big priority.”

“Let’s say you go to Costco.com and order, and in comes a charge for \$3,000 that might have included some computer equipment and cleaning supplies,” he said. “They need to be allocated to very different places in your accounting system. The ability to get electronic receipts from regulator vendors that we can tie to purchase cards of transactions is going to be a major area of innovation.”